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State of Utah

DEPARTMENT OF NATURAL RESOURCES

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Division of Oil, Gas and Mining

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Division Director

Inspection Report Minerals Regulatory Program June 24, 2013

Reviewed: PBB

Mine Name: Black Sands 47278	Permit Number: S0470085
Operator Name: Black Sands Holding Co.	Inspection Date: 06/18/2013
Inspector(s): Tom Nicolaysen (intern)	Time: 1:30 PM
Other Participants:	Mine Status: Inactive

Elements of Inspection	Evaluated	Comment	Enforcement
1. Permits, Revisions, Transfer, Bonds	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
2. Public Safety (shafts, adits, trash, signs, highwalls)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. Protection of Drainages / Erosion Control	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4. Deleterious Material	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5. Roads (maintenance, surfacing, dust control, safety)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6. Reclamation	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
7. Backfilling/Grading (trenches, pits, roads, highwalls, shafts)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8. Soils	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
9. Revegetation	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

Permit Fees: Paid

Bond Amount: \$18,600

Purpose of Inspection:

Inspection of reclamation for bond release

Inspection Summary:

Regraded and some re-vegetation. Some trash was found on site including a junked refrigerator. No drill holes were found on the site which suggests they may have collapsed.

Conclusions and Recommendations:

The site is released from bond after trash is removed.

Inspector's Signature Tom Nicolaysen

cc: Operator

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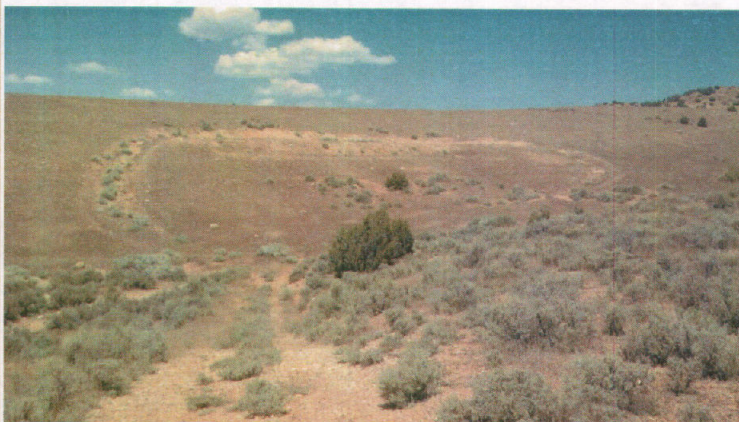




Site of the first drill hole looking east from the road. Substantial re-vegetation on the drill pad. UTM NAD 83 E 616147.72, N 4476227.60



Junked refrigerator on the hill by the road just above the first drill site.



The second drill site, over the hill east of north east of the first site, has been re-vegetated. Traces of the road remain but no further action is recommended. UTM NAD 83: E 616204.50, N 4476415.22



The third drill site is sufficiently re-vegetated and no further action is necessary. UTM NAD 83: E 617208.03, N 4476448.52